

ALTERNATIVE BUSINESS STRUCTURES

COMMITTEE

November 9, 2021

9:00 a.m.

State Courts Building, 1501 West Washington Street, Phoenix, Arizona
Conference Room 101

| Present | Telephonically Present | Absent |
|--|-----------------------------------|---------------------|
| Chief Justice Scott Bales (Retired) (Chair) | Katie Bryant | Clarence McAllister |
| | Hon. Charles Harrington (Retired) | |
| | John Hay | |
| | Jim Summers | |
| | Anna Thomasson | |
| | Alex Vakula | |
| | Mike Widener | |
| | Carlos Ruiz | |
| | Angela Garmon | |
| | Martin Shultz | |

| Staff | Guests | |
|-------------------|-------------------|-------------------|
| Aaron Nash | Matt Bycer | Nicole Auerbach |
| Suzanne Porter | Avi | Rhianna |
| Michelle Martinez | Patricia Sallen | Shawn Rempel |
| Savannah Peavy | Ed Celaya | Steven Harmon |
| Dominique Cidro | Trey Dayes | Jeffrey Phillips |
| | Andy Halaby | Kirstin Anderburg |
| | Andy Bly | Boyd Tremblett |
| | Andy Kvesic | Paige |
| | Christopher Brown | Rob |
| | Bniver | Chase Hertel |
| | Lynda Shely | April Cheng |
| | Gary | Michael Gottesman |
| | Mark | |
| | Patrick Lamb | |
| | Peter H. Robinson | |

CALL TO ORDER

Hon. Scott Bales, Chair

1) REVIEW AND APPROVAL OF MEETING MINUTES Hon. Scott Bales, Chair

1-A: Review, discussion, and possible action regarding approval of the regular session minutes of the meeting of September 14, 2021.

Motion: Consideration of and motion to accept the regular session minutes of the September 14, 2021 meeting.

Motion Proposals: First: Mike Widener
Second: Hon. Charles Harrington
Pass: 10-0-1

2) INITIAL LICENSURE AND ELIGIBILITY

Suzanne Porter

Angela Garmon arrived.

2-A: Review, discussion and possible action regarding application for initial licensure as an alternative business structure for the following applicants:

1. ElevateNext US, LLC

Patrick Lamb and Nichole Auerbach, on behalf of ElevateNext US, LLC, addressed the Committee.

Discussion: It is recommended that ElevateNext US, LLC be recommended for licensure as an Alternative Business Structure.

Motion: Consideration of and motion to accept staff's recommendation that ElevateNext US, LLC be licensed as an Alternative Business Structure with the following conditions:

- (i) ElevateNext US, LLC's compliance lawyer shall conduct semi-annual audits to review the firm's compliance with Arizona Supreme Court Rule 33.1, ACJA §7-209 and its internal policies and procedures and at the completion of each audit prepare and retain a written report of the findings.

Motion Proposals: First: Alex Vakula
Second: Katie Bryant
Pass: 11-0-1

2. Hive Legal, LLC

Christopher Brown and Peter Robinson, on behalf of Hive Legal, LLC, addressed the Committee.

Discussion: It is recommended that Hive Legal, LLC be recommended for licensure as an Alternative Business Structure.

Motion: Consideration of and motion to accept staff's recommendation that Hive Legal, LLC be licensed as an Alternative Business Structure with the following conditions:

- (i) Hive Legal, LLC's compliance lawyer shall conduct semi-annual audits to review the firm's compliance with Arizona Supreme Court Rule 33.1, ACJA §7-209 and its internal policies and procedures and at the completion of each audit prepare and retain a written report of the findings.

Motion Proposals: First: John Hay
Second: Jim Summers
Pass: 11-0-1

3. Mass Legal Group, LLC

Matthew Massaband and Ed Celaya, on behalf of Mass Legal Group, LLC, addressed the Committee.

1. The Committee raised concerns about Massaband's involvement in the FTC case discovered by the Certification and Licensing Division.
2. Massaband asserted that he was contacted by the FTC in connection with the investigation and was not individually named in the complaint.

Discussion: That Mass Legal Group, LLC be recommended for licensure as an Alternative Business Structure with the following conditions:

- (i) Mass Legal Group, LLC's compliance lawyer shall conduct semi-annual audits to review the firm's compliance with Arizona Supreme Court Rule 33.1, ACJA §7-209 and its internal policies and procedures and at the completion of each audit prepare and retain a written report of the findings.

Motion: Consideration of and motion to reject staff's recommendation that Mass Legal Group be licensed as an Alternative Business Structure and for the application be sent back to the Certification and Licensing Division to request more information.

Motion Proposals: First: Mike Widener
Second: Anna Thomasson

Opposed: Katie Bryant and Alex Vakula
Abstain: Angela Garmon
Pass: 9-3-1

4. Heart Law, LLC

Discussion: Deferred to a later meeting.

3) ADMINISTRATIVE ISSUES

Suzanne Porter

3-A: *Discussion and possible action regarding ethics rules for ABSs including update on ethics opinion EO-21-0001 under review by the Attorney Ethics Advisory Committee.*

Discussion: Discussion on referral fee sharing. Lynda Shely and Patricia Sallen will put information together regarding the ethics rules and law practice management.

3-B: *Discussion and possible action regarding data gathering and evaluation at the time of renewal.*

Discussion: Division requested questions and information that should be placed on the Alternative Business Structure renewal application.

3-C: *Update on pending ABS applications for initial license.*

Discussion: There are 26 applications filed to date. 12 of the 26 have been licensed, 12 are pending, and 2 were recommended for approval today.

3-D: *Update on Legal Paraprofessional program.*

Discussion: There have been four administrations of the Legal Paraprofessional Exam. 16 individuals have passed the exam and 9 have completed applications. Online applications should be opened in 1-2 months.

4) CALL TO THE PUBLIC

No comments

Adjourned: 10:54 A.M.